

Message Text

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PAGE 01 ISLAMA 06212 271542Z
ACTION NEA-11

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-07
CEA-01 L-03 H-01 ABF-01 FS-01 AGRE-00 DODE-00
PA-01 /097 W

-----054194 280545Z /23

R 271033Z JUN 78
FM AMEMBASSY ISLAMABAD
TO SECSTATE WASHDC 7852
AMCONSUL KARACHI
INFO AMCONSUL LAHORE

LIMITED OFFICIAL USE ISLAMABAD 6212

E.O. 11652: N/A
TAGS: EFIN, PK
SUBJECT: PROTEST ON BANKING MEASURES

REFS: (A) ISLAMABAD 5555, (B) KARACHI A-31 OF JUNE 8, 1978

1. I RAISED DISCRIMINATORY CHARACTER OF RECENT INCREASE IN
FOREIGN BANKS' REQUIRED RESERVES WITH GHULAM ISHAQ (GENERAL ZIA'S
CHIEF ADVISOR, WHO, COINCIDENTALLY, WAS GOVERNOR OF PAKISTAN'S
CENTRAL BANK UNTIL REMOVED BY BHUTTO) AND LEFT WITH HIM INFORMAL
PAPER OUTLINING OUR OBJECTIONS. GHULAM ISHAQ SEEMED NOT TO HAVE
FOCUSED ON ISSUE, BUT DID MENTION GREAT INTEREST IN PAKISTAN BY
FOREIGN BANKS. I SUGGESTED THAT MAYBE PAKISTAN'S CONCERNS ABOUT
SOLVENCY OF SOME OF THE POTENTIAL NEW ENTRANTS COULD BE MET BY
DIFFERENTIAL TREATMENT OF FOREIGN BANKS NOW OPERATING IN PAKISTAN
(WHICH HAVE GOOD RECORDS) AND NEW ENTRANTS. GHULAM ISHAQ WAS
DUBIOUS ABOUT WHETHER THIS COULD BE DONE. WE DO NOT CONSIDER THE
LAST CHAPTER HAS BEEN WRITTEN ON THIS AND WILL FOLLOW UP AS
APPROPRIATE OPPORTUNITIES OCCUR.

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2. BRITISH EMBASSY IS ALSO PROTESTING DISCRIMINATORY NATROY RESERVE
REQUIREMENTS AS WELL AS POTENTIALLY DISCRIMINATORY LOAN RECOVERY
ORDINANCE.

3. FOR KARACHI: PLEASE PASS SUBSTANCE THIS MESSAGE TO AMERICAN
BANKS AND KEEP US INFORMED OF THEIR ATTITUDES AND ACTIVITIES.
HUMMEL

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BANK LAW, BANK RESERVES
Control Number: n/a
Copy: SINGLE
Draft Date: 27 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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ISecure: 1
Legacy Key: link1978/newtext/t19780617/aaaaaois.tel
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Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 2f26667f-c288-dd11-92da-001cc4696bcc
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Original Classification: LIMITED OFFICIAL USE
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Reference: 78 ISLAMABAD 5555, 78 KARACHI A-31
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TAGS: EFIN, PK
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